

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



02021482

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER

8 31011

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/1/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

NELSON CAPITAL COMPANY

NELSON Jeffrey Leroy / NY / NEW

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

90 HOWARD STREET

REC'D S.E.C.

MAR 13 2002

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OFFICIAL USE ONLY

FIRM ID. NO.

(No. and Street)

JAMESTOWN

NY

14701

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JEFFERY L. NELSON

(716) 487-0337

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

(Name — if individual, state last, first, middle name)

100 EAST FIFTH STREET, PO BOX 1324 JAMESTOWN NY 14702-1324

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

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PROCESS

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FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently validOMB control number.

## OATH OR AFFIRMATION

I, JEFFERY L. NELSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NELSON CAPITAL COMPANY, as of DECEMBER 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Jeffery L. Nelson  
Signature  
Principal  
Title

Norma J. Lombardo

Notary Public  
ORMA J. LOMBARDO, No. 01LO4527985  
Notary Public, State of New York  
Qualified in Chautauqua County  
Commission Expires Jan. 31, 2003

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# ***N*ELSON CAPITAL COMPANY**

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**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

Certified Public Accountants • Business Advisors

**INDEPENDENT AUDITORS' REPORT**

Jeffrey L. Nelson, Proprietor  
*Nelson Capital Company*  
Jamestown, New York

We have audited the accompanying balance sheet of *Nelson Capital Company* (a proprietorship) as of December 31, 2001, and the related statements of operations and changes in sole proprietor's capital and cash flows for the year then ended. These financial statements are the responsibility of the Proprietor. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Nelson Capital Company* as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Buffamante Whipple Buttafaro, P.C.*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

Jamestown, New York  
February 25, 2002

**NELSON CAPITAL COMPANY**  
**BALANCE SHEET**

**Page 2**

**As of December 31,**

**2001**

**Assets**

**Current**

Cash and cash equivalents

\$ 9,854

\$ 9,854

**Current Liabilities and Capital**

**Current Liabilities**

Accounts payable - related party

\$ 2,450

**Capital**

Sole proprietor's capital

7,404

\$ 9,854

**NELSON CAPITAL COMPANY**  
**STATEMENT OF OPERATIONS & CHANGES IN SOLE**  
**PROPRIETOR'S CAPITAL**

**Page 3**

**Year ended December 31,**

**2001**

**Revenue**

Commissions income	\$	452
Interest income		325

Total revenue		<u>777</u>
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**Expenses**

Fees to regulatory agencies		990
Professional services		875
Bank charges/miscellaneous		182

Total expenses		<u>2,047</u>
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Other income		<u>139</u>
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Net loss		(1,131)
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Sole proprietor's capital, beginning		7,635
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Sole proprietor contribution		<u>900</u>
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Sole proprietor's capital, ending	\$	<u><u>7,404</u></u>
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**NELSON CAPITAL COMPANY**  
**STATEMENT OF CASH FLOWS**

**Page 4**

**Year ended December 31,**

**2001**

**Cash flows from operating activities**

Net loss	\$ (1,131)
Adjustments to reconcile net loss to net cash used for operating activities:	
Increase in accounts payable	<u>825</u>
Net cash used for operating activities	<u>(306)</u>

**Cash flows from financing activities**

Cash contributed by sole proprietor	<u>900</u>
Net cash provided by financing activities	<u>900</u>

**Increase in cash** **594**

**Cash, beginning of year** **9,260**

**Cash, end of year** **\$ 9,854**

**NELSON CAPITAL COMPANY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2001**

**Page 5**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business Description**

The Company operates for the purpose of selling investment interests in direct participation programs in Chautauqua County, New York, and is registered as a broker-dealer with the Securities and Exchange Commission. The Company operates as a Proprietorship of Jeffrey L. Nelson.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents are defined as cash on hand and cash in checking and savings accounts and all short-term investments with an original maturity of three months or less.

**Revenue and Expense Recognition**

The Company utilizes the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred.

**Income Taxes**

The Company is a Proprietorship of Jeffrey L. Nelson. Any tax liability is the responsibility of Jeffrey L. Nelson personally, and as such no provision is necessary in these financial statements.

**Net Capital**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c-3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At December 31, 2001, the Company had net capital of \$7,404, which was in excess of the minimum requirement of \$6,000 using the 120% rule. The Company had accounts payable totaling \$2,450 at December 31, 2001.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - RECONCILIATION OF NET CAPITAL**

The balance of audited net capital reconciles to the unaudited balance from the Focus Report as follows:

Balance of net capital per unaudited focus report	\$ 7,404
Adjustments to owners draw accounts	—
Balance of net capital per audited focus report	<u>\$ 7,404</u>



***NELSON CAPITAL COMPANY***

***REPORT ON  
FINANCIAL STATEMENTS***

***YEAR ENDED DECEMBER 31, 2001***